

Guidance on Price Transparency: publishing price information

1. Introduction

1.1 Background

This guidance has been produced to reflect the findings of the [Competition and Markets Authority Report 2016](#) which suggests that consumers are disadvantaged by the lack of readily available price information from providers of legal services and the absence of available price information may be preventing consumers making an informed choice when selecting from those providers.

The Society has a statutory duty and objective to promote the interests of the public and competition in the provision of legal services. In developing this guidance, the Society's Regulatory Committee was mindful of acting proportionately. Unlike England and Wales, where the Solicitors Regulation Authority (SRA) has introduced practice rules on price information, the Society's Regulatory Committee takes the view that this guidance supports the profession and demonstrates commitment to that statutory objective in a proportionate way.

1.2 Purpose of this guidance

This guidance has been produced to promote price transparency and encourage practice units to proactively take steps to publish price information in a way that is easily accessible, prominent and understandable for consumers. This would allow consumers to make an informed choice of legal service provider without the need to submit detailed information in order to obtain information on price. This guidance provides examples of how a practice unit may choose to publish price information to help promote transparency. The examples are illustrative only, suggesting ways practice units may set out their pricing for consumer information.

Guidance does not have the same status as a rule, and it is not compulsory to follow guidance. The purpose of guidance is to assist solicitors and others providing legal services to meet the standards of good professional and ethical practice. In the event of a complaint being raised in relation to the guidance, a solicitor would have to provide a reason for not following it.

This guidance is for all practice units who provide legal services to consumers. It is not intended to apply to legal services provided to businesses.

This guidance does not apply to practice units which undertake legal aid funded work only.

Nothing in this guidance removes the responsibility on the practice unit to ensure compliance with the [Practice Rules](#).

1.3 Benefits of Price Transparency

As well as allowing consumers to make a better-informed choice, price publication can bring clarity so consumers better understand what to expect from their solicitor and may help to avoid misunderstandings and price related complaints. It can also support access to justice as research indicates that some consumers are discouraged from seeking professional legal advice as they

perceive the cost to be unaffordable for them. Price publication may help to reduce that perception and encourage consumers to use a trusted and regulated provider of legal services.

1.4 Status of published prices

It is recognised that the varying complexity and circumstances of individual legal matters makes it difficult to publish crystallised prices. Therefore, the intent and purpose of price transparency is to provide a general idea as to cost, not to publish a binding price. Practice units may choose to publish a typical, average or fixed price. However, where a practice unit chooses to publish a fixed price then it should be clear what is and is not included within the fixed price.

2. Publishing price information

2.1 When to provide price information

There are two points where price information should be provided to consumers:

1. When the consumer is searching for a price. At this point the consumer may wish to obtain a general idea of price to make an informed choice across several practice units. The price information should be available upfront, for example on a website and this guidance is relevant to this stage.
2. The second point is at the instruction stage. This is where the consumer contacts and engages with a practice unit direct, providing further details of the legal matter in question. At this point mandatory compliance with Practice Rule B4 (Client Communication) requires solicitors to provide the following information in writing to clients:
 - An outline of the work to be done;
 - An estimate of the total fee or the basis upon which the fee will be charged including VAT and outlays;
 - Details of any contribution towards Legal Advice and Assistance or Legal Aid and details of the effect of preservation or recovery of any property if relevant;
 - Who will do the work and
 - Who the client should contact if they have any concerns or complaints.

2.2 Where to publish

Practice units should make information on the services they offer, and their relative prices, as readily available as possible to consumers, in a manner which is timely, meaningful, accessible, easy to understand and which allows the consumer to compare information across providers. The consumer should be able to access price information without being required to supply personal data (such as names or contact details).

Where the practice unit has a website then price information should be published in a prominent location which is clearly signposted and without the need to provide detailed information to access this.

Where the practice unit does not have a website, then price information should be readily available in another format which can be provided to the consumer, again without the need for the consumer to provide detailed information. For example, price information leaflets could be available in public

facing parts, in a reception area, of practice unit premises, via social media or by a web-based online quote calculator.

2.3 Form of price information

Price information should be provided in a suitable and understandable form. However, it is for the practice unit to decide on the most appropriate form to suit their business model. Different formats may be suitable for different services. For example, practice units may choose to provide information that:

- sets out the hourly chargeable rates for each level of fee earner,
- provides fixed fees price,
- sets out scenario fees or the price of a typical case.

When publishing a total price (fixed fees, scenario or typical price) the guidance relating to Practice Rule B3 (Advertising and Promotion) should be complied with.

Prices for consumers should be shown as VAT inclusive. Where VAT inclusive pricing is used, this should be made clear. For example, 'Prices inclusive of VAT at 20%'.

Where VAT exclusive prices are given, it must be made clear that the price does not include VAT. This must be stated along with the current applicable rate. For example: 'Prices do not include VAT. VAT will be charged at the rate of 20%'.

2.4 Clear and meaningful language

Language within the price information must be clear and in words which are understandable to the consumer, avoiding the use of legal terms wherever possible. Guidance on this can be obtained from the Plain English Campaign. The language should not be ambiguous in any way. Practice units must have regard to compliance with Practice Rule B3 (Advertising and Promotion).

2.5 Price information to be provided

This guidance is not intended to place an obligation to publish price information which is a binding quote. The price information published only needs to be an average or typical price.

It is acknowledged that it may not be possible to publish an accurate price for every service in every scenario, or to anticipate unusual complexities, but the published information should be an average or typical price to allow consumers to have an informed understanding of the likely cost of the services offered, and of the factors which may influence the final cost. As far as possible, the price information provided should be complete and contain enough information to allow the consumer to understand the price that is relevant to their circumstances.

When publishing price information this should include:

- details of the services included;
- details of any services that a consumer may reasonably expect to be included, given the nature of the work, but which are not, in fact, included;

- where hourly chargeable rates are applied, information about the level(s) of fee earner(s) who will undertake different parts of the work;
- where you publish a range of prices, the basis of your charges, and the types of factors which will determine the final price;
- a description of any likely outlay and its likely cost – or the method by which such cost is calculated;
- whether any fees or outlays attract VAT – and how this is calculated.

Where appropriate, the price information should make it clear, that the price is an average or typical price only and the final price will be dependent on the circumstances of the legal matter.

2.6 Additional information

When publishing price information, the practice unit may choose to publish other information which allows consumers to be able to assess value for money, for example the level and quality of service to be provided.

Where a practice unit chooses to publish additional information on quality of service, then they must be mindful of compliance with Practice Rule B3 (Advertising and Promotion).

2.7 Additional complexities

The very nature of legal matters often gives rise to unforeseen complexities and additional work. This guidance does not require practice units to provide or publish binding price information or to pre-empt complexities arising. However, where complexities arise or the nature of the client's instructions change, then the practice unit should inform the client of this and provide revised price information.

Nothing in this guidance removes the responsibility of the practice unit to provide in writing the specific information required in Practice Rule B4 (Client Communication) when tendering for business or at the earliest opportunity upon receiving instructions to undertake any work on behalf of a client.

3. Examples of how price information may be published

The price transparency examples below aim to help practice units consider how best to publish price information. These are for illustrative purposes only and should be tailored by practice units to suit their business model and to reflect the legal service offered. They are not intended to be templates but to provide suggestions of how a practice unit may approach price transparency.

3.1 Fixed fees. If you are setting out a fixed fee, you should be clear what services are included and what is not included in the fixed fee

3.1.1 Fixed fee example 1:

Divorce – simplified procedure divorce / dissolution of civil partnership.

A simplified divorce procedure may be appropriate only where there are no outstanding financial matters to resolve between the parties and there are no children of the marriage or civil partnership under 16 years of age.

Initial meeting

We will first meet with you to consider and discuss if the simplified procedure is appropriate for your case. This may require us to gather information so we can be sure that the simplified procedure is appropriate.

For this first meeting our fixed fee will be **£{insert amount}** inclusive of VAT at 20%.

Our fixed price includes:

- Meeting with you, taking instructions and providing advice on the simplified divorce procedure
- Collecting information from you about your position, your finances and family circumstances
- Assessing if simplified procedure is appropriate in your case and advising you on next steps

Where the simplified procedure divorce / dissolution of civil partnership is appropriate

If the simplified procedure is appropriate, then our fixed fee for completing a simplified divorce or dissolution of a civil partnership will be:

- **£{insert amount}** inclusive of VAT at 20%. This excludes outlays (fees which may need to be paid to third parties).

The outlays will include:

- Court fees: These increase annually. The current fee is **£{insert amount}** .
- Service fees: Service by sheriff officer, where service by recorded delivery has not been possible. The current fee is **£{insert amount}**

Our fixed price includes:

- completing the application to the court and arranging for you to sign it
- notarising the application to court
- lodging application and any supporting documents with the court

The above fixed price **include VAT** charged at 20%

Note: This fixed price will only cover the services mentioned. Your case may require additional work that is not included. We will discuss this with you at our initial meeting. If additional costs arise due to unforeseen circumstances, we will discuss this with you at the earliest opportunity and we will advise you of any increase in price that may arise.

3.1.2: Fixed fee example 2:

Sale of a residential property

Our fees cover all of the work required to complete the sale of your current property including the marketing of your property, dealing with any offers and subsequent missives, ordering searches, repaying any secured loans and registering any deeds at Registers of Scotland and paying any funds to you.

fees and outlays

- Legal fee £{insert amount}
- VAT payable £{insert amount}
- Estate Agency Fee £{insert amount}
- Home report fee £{insert amount}
- Property Search fees £{insert amount}
- Registers of Scotland – fee for registering Discharge £{insert amount}
- Advance notice registration fee for Discharge £{insert amount}
- Electronic money transfer fee £{insert amount}

Estimated total: £{insert amount}

Outlays are costs related to your matter that are payable to third parties, such as Registers of Scotland and Search Companies. We handle the payment of the outlays on your behalf to ensure a smoother process.

Stages of the process

The precise stages involved in the sale of a residential property vary according to the circumstances. However, below we have suggested some key stages that you may wish to include:

- Take your instructions and give you initial advice
 - Carry out required Anti Money Laundering checks
 - Arrange home report
 - Market the property
 - Receive offers on property and take your instructions
 - Obtain redemption statements from current lender (the amount required to repay your mortgage)
 - Order Title Deeds
 - Receive and advise on missives (contract)
 - Carry out property searches as required
 - Obtain further planning documentation if required
 - Revise draft documents received from purchasers' solicitors
 - Conclude missives (and notify you that this has happened)
 - Issue completion statement
 - Complete sale
 - Repay any mortgages and pay any outlays due
 - Prepare the discharge of the standard security and submit this to the Registers of Scotland
 - Paying any surplus funds due to you
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3.1.3: Fixed fee example 3

Simple Wills

3.2.1: Range of prices example 4

Employment matters - wrongful or unfair dismissal

Below we have set out our pricing structure for bringing a claim for wrongful or unfair dismissal based on the cost for a typical case.

The price to you will vary depending on the complexity of the case. We will provide you with our estimated price following an initial meeting to discuss your particular matter.

The time spent on your case also impacts significantly on the price. More complex cases will require more time.

Factors which could impact on the complexity of the case include:

- Number of witnesses
- Allegations of discrimination or whistleblowing
- Any delay in the case proceeding to a final hearing
- Failure to agree issues

Below we have set out our typical range of prices by way of illustration

Simple case	£{insert amount} – £{insert amount} (including VAT 20%)
Moderately complex case	£{insert amount} - £ {insert amount} (including VAT 20%)
Highly complex case	£{insert amount} - £ {insert amount} (including VAT 20%)

The above illustrative price will include the following **key stages**, although these are provided for illustrative purposes only. Not all stages may be required. This will depend on the circumstances of your case. Some cases may require more stages, and this will increase price.

- Taking initial instructions and providing preliminary advice
- Entering into pre-claim conciliation to explore if agreement can be reached.
- Preparing claim or response to claim
- Reviewing claim or response of other party
- Exploring possible settlement and entering into discussion where appropriate
- Preparation / reviewing schedule of loss
- Preparation and attending preliminary hearing
- Taking and drafting witness statements and agreeing contents
- Reviewing and preparing bundle of documents
- Agreeing list of issues
- General case management
- Preparation and attendance at final hearing

The price will exclude outlays. These are costs that may need to be paid to third parties. These may include:

- Counsel's fees – if a decision is made to instruct Counsel to deal with any part of your case
- Expert witness fees

Note: If you are using this model, you will need to set out further information to help consumers decide which of the levels of complexity their case may fall into. The key stages we have set out are illustrative only and it is for you to decide what work you include under key stages.

3.2.2: Range of prices example 5

Motoring offences

Road traffic matters can be complex and the facts of each case are unique. We would be happy to consult with you at an early stage to discuss your case and to provide further details of the funding options available to you.

Motoring offences – not guilty plea

The number of hours it will take to deal with a motoring matter where a not guilty plea is made varies greatly and will depend of the specific nature of the offence. Motoring offences can be complex, depending on the specific circumstances.

Where we undertake your matter on the basis of a not guilty plea, our hourly fee will be

- **£{insert amount} per hour including VAT at 20%.**

This excludes possible outlays. For motoring offences outlays may include fees for expert witnesses, toxicological reports, fees paid to third parties for the provision of information (such as information from motor insurance company), analytical reports (for example mobile phone examination)

We will be able to provide you with an estimate of cost, outlays and the likely number of work hours required following an initial meeting to discuss the details of your case. Any estimate we give will be based upon your instructions and the documents you are able to provide to us at that time. Once we are satisfied that we have all relevant information we will discuss and agree our fee with you.

There may be occasions where other issues arise in your case which were not and could not have been anticipated at the outset. Where additional costs do arise, we will advise you of these at the earliest opportunity.

Motoring offences – guilty plea – average fee

Where you wish to enter a guilty plea, we will endeavour to provide you with a fixed fee to reflect your particular circumstances. We will agree a fee with you at our first meeting and when we have full details of the offence. Below we have provided an average fee range as a guideline.

Offence	Average fixed fee including VAT at 20%
Careless Driving	£{insert amount} - £{insert amount}
Drink Driving	£{insert amount} - £{insert amount}
Drug Driving	£{insert amount} - £{insert amount}
No Insurance	£{insert amount} - £{insert amount}
Speeding	£{insert amount} - £{insert amount}
Using a Mobile Phone	£{insert amount} - £{insert amount}

Driving Whilst Disqualified
Dangerous Driving
Our fees will include:

£{insert amount} - £{insert amount}
£{insert amount} - £{insert amount}

- taking instructions from you,
- obtaining all necessary information from the police,
- obtaining required documentation and reviewing this,
- providing full advice on plea including any mitigating circumstances,
- court representation and
- corresponding with you and all other relevant agencies

It does not include

- instructing expert witnesses,
- taking statements from witnesses
- providing advice / representation on appealing any sentence.
- work and representation in relation to special reasons / exceptional hardship hearings
- outlays.

Note: We have provided an indication of the average fee. We will provide you with an estimate of our price following an initial meeting to discuss the circumstances and facts of your case.

3.3 Hourly rate based on fee earner

3.3.1: Hourly rate example 6

Depending on the nature and complexity of your legal matter, the legal work undertaken by us may be completed by one or several members of our legal team. Below we have set out the hourly charging rates for each of our fee earners.

As a guide the average number of hours on, for example, a divorce matter is (insert average here)

The hourly charge stated **includes VAT which is charged at 20%**

Fee earner	Hourly charging rate (including VAT)
Solicitor Partner	£{insert amount}
Associate solicitor	£{insert amount}
Assistant solicitor	£{insert amount}
Trainee solicitor	£{insert amount}
Paralegal	£{insert amount}
Traveling rate for all fee earners	£{insert amount}

The number of hours spent on your case will be determined by the complexity and the unique circumstances of your case. We will discuss the likely cost of your case with you at our initial

meeting. If additional costs arise due to unforeseen circumstances, we will discuss this with you at the earliest opportunity and we will advise you of any increase in cost that may arise.

The hourly rate does not include any outlays that may be required. These are variable depending on the nature of the case. We will discuss what these may be at our initial meeting.

3.4 Stage breakdown. For services which are more bespoke, or are delivered in stages, alternative forms of disclosure may be possible, such as setting out the likely price of each stage. Each stage should be clear of what work is included within that stage and the cost to the client attached.

3.5

<p>Stage 1 – Initial stage</p>	<ul style="list-style-type: none"> · Initial meeting with you · Review your documentation · Providing advice on legal position · Taking your instructions · Writing to respondent employer 	<p>{£insert amount} Could be either fixed price or hourly rate</p>
<p>Stage 2 – Early conciliation before Advisory, Conciliation and Arbitration Service (ACAS). Agreement may be reached and matter completed</p>	<ul style="list-style-type: none"> • Liaising with Advisory, Conciliation and Arbitration Service (ACAS) on your behalf • Representation and negotiating at ACAS • Providing legal advice should conciliation fail. 	<p>{£insert amount} Could be either fixed price or hourly rate</p>
<p>Stage 3 – submission of claim to Employment Tribunal- where early conciliation has been unsuccessful</p>	<ul style="list-style-type: none"> • Preparing and submit claim to employment tribunal • Preparing a schedule of loss • Representation at preliminary hearing • Drafting of witness statements • Reviewing documents and preparing/agreeing a bundle of documents • Exchanging of list and documents • Advising on respondents witness statements • Agreeing list of issues • Miscellaneous correspondence and general case management • Any further settlement 	<p>{£insert amount} Could be either fixed price or hourly rate</p>

	discussions	
Stage 4 – Final hearing	<ul style="list-style-type: none"> • Preparation for Final Hearing • Representation before Employment Tribunal 	{insert amount} Could be either fixed price or hourly rate

Our prices are inclusive of VAT charged at 20%.

Our costs do not include outlays. The outlays for each case will be different and dependent on the circumstances. We will discuss the outlay with you and provide you with an estimate cost at our initial meeting.

Potential outlays will be:

- Expert Witness
- Cost of Counsel- should the matter be complex. We will advise you on this at the initial meeting.

Price transparency Qs and As

Why is the guidance being introduced?

The Law Society of Scotland guidance has been developed to improve price transparency for legal services and encourage solicitors to proactively publish information to help consumers in Scotland make better-informed choices.

It has been recognised that some consumers may have the perception of legal services being too costly for them. This may result in the consumer approaching an unregulated provider or avoid seeking any kind of legal advice or help. Price transparency may go some way to address that misperception.

Unlike in England and Wales, where the Solicitor Regulation Authority (SRA) has introduced a set of rules on price transparency, the Society's Regulatory Committee decided that guidance would be the most appropriate way to introduce price transparency for legal services in Scotland.

We consulted members on pricing transparency in 2018 and, in developing the guidance and accompanying examples on pricing, we also sought views from solicitors within our policy sub-committees, who work across a wide range of legal practice areas, and stakeholder organisations, including the Society of Chief Officers of Trading Standards in Scotland, to ensure the guidance will work in practice.

As well as assisting potential clients to make a more informed choice, price transparency provides a marketing opportunity for firms to promote their services.

Why not price transparency rules?

In October 2018, following the price transparency consultation, the Society's Regulatory Committee considered several options. This included introducing rules, a route which the SRA has taken in England and Wales. However, the committee thought the introduction of rules at this time would be disproportionate and overly prescriptive and decided guidance was the preferred and proportionate route to increase transparency around pricing structures. It also allows the effectiveness of the guidance to be reviewed over time and any amendments that may be needed following review, can be made more easily.

Rules or guidance – what is the difference?

Guidance does not have the same status as a rule and it is not compulsory to follow guidance. However, while not a practice rule, all solicitors are encouraged to follow the guidance as a matter of best practice. In the event of a complaint being raised in relation to the guidance, a solicitor would have to provide a reason for not following it.

Please refer to [purpose and status of guidance](#) on our website for further information.

What consultation was carried out before this guidance was agreed?

The Law Society carried out a consultation with its members on price transparency in 2018. The Regulatory Committee also sought views from members of the Society's policy sub-committees, who work across a wide range of legal practice areas, and stakeholder organisations, including the Society of Chief Officers of Trading Standards in Scotland in developing the guidance and accompanying pricing examples.

Has Council approved the guidance?

As price transparency and the guidance relates to regulation, the decision to introduce guidance, and the approval of that guidance, has been made by the Regulatory Committee of the Law Society. The Regulatory Committee is responsible for regulatory matters and is independent from the Society Council in terms of section 3 of the 1980 Act. However, the Council recognises and accepts the need to introduce the guidance and the benefits this will bring, both to the consumer and the legal services sector.

What areas of law and practice is the price transparency guidance aimed at?

Although the examples only focus on a small number of practice areas (employment, conveyancing, wills and family) the guidance is intended to apply to all consumer-facing legal practice areas.

My firm only carries out legal aid work, does this apply to me?

If you solely do legal aid work, you do not need to provide this type of information. However, if you provide a mix of legal aid and fee-paying work you should provide price information on the fee-paying work.

My firm only provides legal services for commercial organisations, does this apply to me?

No. The price transparency guidance is aimed at solicitors who provide legal services directly to the consumer. It may still be an option to consider for your business.

Who within my firm is responsible for publishing pricing information?

This decision lies with the firm, for example, this may be the client relation partner / manager or the person within the firm who is responsible for marketing.

My firm doesn't have a website to publish prices what should I do?

Even if your firm does not have a website, you should still have price information available for any potential clients so they do not have to make an appointment or consult a solicitor to find out more about the costs of your firm's services.

There is no need to have specially designed leaflets created, a simple print out will suffice as long as the pricing is easy to understand and readily available for people. For example, you can have a price list indicating a typical cost for a case or an hourly rate for particular types of work, available to read in your reception area. Our examples (see the guidance document) of a price guide may be helpful before you decide what approach is most suitable for your firm.

Another option may be a web-based online quote calculator which allows consumers to compare costs.

Are the examples provided designed as templates for firms to use?

No. These are examples only of how you may choose to publish price information. They are not designed to suggest which model you should use for any given service. This is for each firm to decide, based upon their own judgment. You may choose to use one of these model examples or you may use your own model, which should also contain the required information on VAT, services included etc.

Our cases are so variable, how can my firm produce a realistic price guide?

Legal work is by its very nature variable and individual cases differ in their complexity and in the length of time they take to conclude. However, the same principle applies to how you set out your 'terms of business' or 'terms of engagement' letter for clients on the potential cost of their particular case.

You may prefer to publish a list of 'typical' or 'average' case costs for particular types of work, fixed fees or you may have an hourly rate. It is important that it's clear that these are an indication of the costs involved and, in the case of fixed fees, what is included in the fee, so clients can be as well informed as possible prior to speaking to a solicitor about their particular circumstances.

Price is only one aspect that consumers consider before appointing a solicitor. Other considerations might be - the quality of the service, speed and efficiency, reliability or your proven expertise in a given area of the law. How consumers/clients value these factors (quality, expertise, price etc) will vary. Your firm needs to understand what motivates the particular client group that you are trying to attract and promote your services accordingly.

What is meant by a 'typical' or 'average' price?

The guidance recommends that firms publish an 'average' or 'typical' price for the service. Solicitors will need to use their own judgment on what is the best approach for their firm. A typical price would be one that you would commonly apply to particular types of work. An average price for certain types of work is based on calculating the average price from a reasonable number of cases at the firm.

What information should be included in any fixed fee pricing?

Any solicitor firm which publishes a fixed fee must stipulate what is included and, importantly, what is *not* included within that fixed fee so that consumers can be clear on what costs will apply to them. Solicitors will still be expected to provide their client with a clear terms of business letter, including fees/costs, which apply to their particular case and the level of service they can expect.

Should my firm include VAT in the published pricing?

Yes. Although it is not a specific requirement, it is good practice to provide a price inclusive of VAT. However, whether you provide a VAT inclusive or exclusive price, you must set out how VAT is calculated.

What other information can my firm include?

When considering publishing, some solicitors' firms may choose to combine pricing information with existing information about the services they offer as well as any comment on service delivery, value, quality, etc. Whatever information is published, solicitors must be mindful to comply with Practice Rule B3 (Advertising and Promotion) as well as any other statutory obligations relating to advertising.

What happens if my firm doesn't have a price list in place on 1 February 2020?

While the guidance has been published on 1 February 2020, we would expect to see firms implementing the necessary changes by the start of April 2020.

Guidance does not have the same status as a rule and it is not compulsory to follow guidance. However, while not a practice rule, all solicitors are encouraged to follow the guidance as a matter of best practice. In the event of a complaint being raised in relation to the guidance, a solicitor would have to provide a reason for not following it.

As with any complaint, it would be a matter for the Scottish Legal Complaints Commission to decide how to proceed.